Joint Industry Statement on State-run Producer Responsibility Organisations

The undersigned organisations deplore the recognition of state-run producer responsibility organisations (PROs) in the final text of the revised Waste Framework Directive (WFD), a regrettable precedent also set in the new Packaging and Packaging Waste Regulation and Batteries Regulation.

In our experience, state-run PROs fail to exercise the core function of a PRO, which is to fulfil producers' responsibilities to meet recycling targets on their behalf. Assigning producers' responsibilities to state-owned operators is a paradox. It will also harm PROs' effectiveness, worsen transparency and increase administrative costs, at the detriment of investments in municipal waste collection, sorting and recycling. Extended Producer Responsibility (EPR) fees charged by state-owned PROs are almost always a form of taxation, where the money collected from producers becomes another source of revenue for state budgets, without any guarantee of being used for the purpose of waste management, in line with the *polluter pays* principle. In fact, they cannot be considered EPR as intended by the Waste Framework Directive if they contradict the general minimum requirements for EPR schemes set in Article 8a of this Directive.

Recognising the possibility for Member States to switch from private to state-run PROs can reverse progress made thanks to the 2018 revisions of the Waste Framework Directive and Packaging and Packaging Waste Directive, which made EPR schemes for household and commercial/industrial packaging mandatory in all Member States. At a time where two-thirds of Member States are expected to miss their 2025 packaging recycling targets¹, there is an urgent need for governments to demonstrate that they are serious about the transition to a circular economy. To ensure their effectiveness, *all* PROs must meet the minimum requirements set down in Article 8a.3 of the WFD and they must work for or on behalf of producers. Hungary and Croatia have already chosen to by-pass producer responsibility, worsening their recycling performance². Poland is next in line, as it is in the process of modifying its national laws to repeal the existing PROs system to adopt a state-run one.

Undermining separate collection, sorting and recycling will have tangible impacts on the environment, on businesses and consumers. Recycling rates will decrease instead of increasing. Producers will not be put in a position to meet the *recyclability at scale* obligations mandated by the Packaging and Packaging Waste Regulation, which could lead to potential market bans for certain types of packaging. This will affect the cost and availability of consumer products.

The undersigned organisations therefore call on EU legislators to adopt new legislative measures, in the context of the upcoming Circular Economy Act, to prohibit state-run PROs and rule out the possibility for exemptions from the minimum requirements for PROs. We also call on the European Commission to urgently address the risk of a state-run PRO being established in Poland, by initiating a dialogue with the Polish government on the EPR law under discussion at national level.

¹See COM/2023/304 final and the Infringement Package from July 2024, here.

² See, as a reference, the data for Hungary, available <u>here</u>. According to EUROSTAT data, Hungary's packaging recycling rate was 42.4% in 2022, well below the EU average of 65.4%.

Signatories:



AESGP - Association of the European Self-Care Industry



AGMPM - Association of Greek Manufacturers of Packaging & Materials



AIM - European Brands Association



A.I.S.E - International Association for Soaps, Detergents and Maintenance Products



Aluminium Closures Group



CEC - European Footwear Confederation



CEFLEX - A Circular Economy for Flexible Packaging



CEPE - European Council of the Paint, Printing Ink and Artists' Colours Industry



Cepi



CICPEN - Czech Industrial Coalition for Packaging and the Environment



CITPA - The International Confederation of Paper and Board Converters in Europe



Cosmetics Europe - The Personal Care Association



Der Grüne Punkt



EAFA - European Aluminium Foil Association



ECMA - The European Carton Makers Association



EDANA - The Global Association and Voice of Nonwovens and Related Industries



EFIC - European Furniture Industries Confederation



EGMF - The European Garden Machinery Federation



EKO-PAK - Packaging Industry Union of Employers



ELIPSO - Les entreprises de l'emballage plastique et souple



EPLF - European Producers of Laminate Flooring Association



EPPA - European Paper Packaging Alliance



EPRO - European Association of Plastics Recycling and Recovery Organisations



EUCOBAT - European Association of National Collection Schemes for Batteries



EucoLight - European Association of lighting WEEE compliance schemes



EuPC - European Plastics Converters



EuroCommerce



European Aluminium



EUROPEN - The European Organisation for Packaging and the Environment



EXPRA - Extended Producer Responsibility Alliance



FBCA - The Food & Beverage Carton Alliance



FEFCO - The European Federation of Corrugated Board Manufacturers



FEPA - Federation of European Producers of Abrasives



FESI - Federation of the European Sporting Goods Industry



FEVE - The European Container Glass Federation



FINAT - The Association for the European Label Industry



FPE - Flexible Packaging Europe



IK - Industrievereinigung Kunststoffverpackungen



IRE - Independent Retail Europe



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MPE - Metal Packaging Europe



PAKKAUS - The Finnish Packaging Association



PETCORE EUROPE



PET EUROPE - Producers' Association



Plastics Europe



PRE - Plastics Recyclers Europe



Pro Carton - European Association of Carton and Cartonboard manufacturers



PRO Europe - Packaging Recovery Organisation Europe



PROFOOD - The group representing producers of fresh food packaging



PROsPA - Producer Responsibility Organisations Packaging Alliance



SCS - Styrenics Circular Solutions



SfPE - Steel for Packaging Europe



SZZV - Slovak Association for Branded Products



TIE - Toy Industries of Europe



UNESDA - Soft Drinks Europe



UNIONPLAST - The Italian Association of Plastics Converters